

[This is an English translation of the original text written in Japanese]



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LIXIL Corporation

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Notification Regarding Reorganization of the Production System at LIXIL Housing Technology

LIXIL Corporation (herein after “LIXIL”) today announced that it has decided to cease activities at its Yokohama factory in March 2023. These measures will optimize the production system at LIXIL Housing Technology (herein after “LHT”) in response to changing demand in Japan.

1. Background and Outline

Given the rapidly changing market environment, LIXIL is moving to become more consumer centric and an organization that can quickly transform and innovate. LHT has been promoting structural reforms from the fiscal year ended March 2018 to achieve a system that is resilient to external factors. LHT’s focus has been on increasing core earnings through technology, design, and brands that differentiate LIXIL and support long-term sustainable growth.

Reorganization of the production system is a key step to accelerate transformation measures to achieve sustainable growth. LIXIL has been operating its Yokohama factory for 60 years, and its facilities and buildings are aging. Continuing operations will require a large amount of investment, as well as considerations for operational risks such as safety concerns and breakdowns, and particular environmental impact for nearby residents. For these reasons, LIXIL decided to cease activities at the Yokohama factory and proceed with consolidation of the processing division to Shimotsuma factory (Shimotsuma City, Ibaraki Prefecture), Kasukawa factory (Maebashi City, Gunma Prefecture) and other factories. This consolidation will optimize supply chain, strengthen cooperation between technology, manufacturing, and sales divisions, and build a system that can bring more value-added products to the market and improve the capital efficiency.

2. Overview of the Yokohama factory

(1) Name	Yokohama factory
(2) Location	Yokohama City, Kanagawa Prefecture
(3) Year of completion	1961
(4) Description of equipment	Manufacturing and processing of aluminum building materials
(5) Site area	34,834m ²
(6) Number of employees (as of October 2021)	183 people (out of which permanent employee of 45 people)

3. Timing to cease activities of the Yokohama factory

End of March 2023

4. Financial impact

The impact of the costs to be incurred in association with these measures on the consolidated profit and loss is expected to be minor. LIXIL will promptly disclose any matters that should be announced.

In addition, LIXIL plans to disclose the estimated impact of this change by factoring it into the full-year forecast for LIXIL's consolidated business performance for the fiscal year ending March 31, 2023.

End